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U.S. Attorney in San Diego Is Dismissed by Reagan

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WASHINGTON, April 5 — President Reagan today dismissed William H. Kennedy, the United States Attorney in San Diego, for publicly confirming the identity of a key American intelligence source who is the subject of a Federal grand jury investigation.

Mr. Kennedy's dismissal was announced tonight by a Justice Department spokesman.

The President acted after Mr. Kennedy, who is 51 years old, refused to step down despite requests from the Justice Department. Last week, Attorney General William French Smith recommended that Mr. Reagan dismiss Mr. Kennedy.

Mr. Kennedy, who began his term in office last fall, serves, like all United States Attorneys, at the pleasure of the President.

Mr. Kennedy angered his superiors in the Justice Department when he told The San Diego Union last month that the Central Intelligence Agency had

played a role in blocking prosecution of the intelligence source, Miguel Nassar Haro, in a major criminal case. Mr. Nassar is the former chief of Mexico's national police, the Directorate of Federal Security.

The Union quoted Mr. Kennedy as saying that since November, the Justice Department had been withholding approval to indict Mr. Nassar in an \$8 million case involving automobile theft because the intelligence agency had advised the department that Mr. Nassar was its "most important source in Mexico and Central America."

Tonight, Arthur P. Brill, deputy spokesman for the Attorney General, issued a statement that said that Mr. Kennedy had been advised by E. Pendleton James, director of White House personnel, that he had been dismissed.

The Justice Department statement said that Mr. Kennedy was being removed because he had "made improper comments about a pending criminal case."

In a written statement tonight, Mr. Kennedy said: "A statement attributed to me in The San Diego Union article, dated March 28, 1982, was an accurate confirmation. There is nothing more to add or apologize for." Mr. Kennedy said that he made a decision not to resign but was informed today by Mr. James and Associate Attorney General Rudolph W. Giuliani that "the President has signed my dismissal papers."

He said the order was effective at 5 P.M. today and "I will comply with the President's orders."

Comments 'Highly Prejudicial'

The statement said, moreover, that Mr. Kennedy's press comments "were highly prejudicial to the interests of the United States."

Mr. Kennedy, who was an assistant district attorney in San Diego County before becoming the chief Federal prosecutor in the area, was appointed United States Attorney last Nov. 7 by the Federal District Court in San Diego to fill a vacancy.